

REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 7th day of April, 1978, between PHIL R. KOOSTRA and CAROLE E. KOOSTRA, husband and wife, hereinafter called the "Sellers", and ROBERT R. RANDOLPH and SUSY J. RANDOLPH, husband and wife; RICHARD A. TRUAX and DOROTHY R. TRUAX, husband and wife; JOHN A. SEAVEY and KATHERINE U. SEAVEY, husband and wife, and RICHARD L. PINSON and JUDITH A. PINSON, husband and wife, each as to an undivided one-fourth interest and as tenants in common, hereinafter called the "Purchasers",

WITNESSETH:

WHEREAS, the State of Washington, Department of Natural Resources, did, by a certain lease, Lease No. 58985, bearing date of August 11, 1970, as amended by document dated February 10, 1972, as authorized under RCW 79.01.096, demise and lease for purposes stated in its bid for development and use unto Water Front Recreation, Inc., a Washington Corporation, all and singular the premises herein-after described, all as located in the County of Skamania, State of Washington, to-wit:

Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East of the Willamette Meridian, having an area of 88.46 acres, more or less. Subject, however, to an easement for right of way for access road acquired by the United States of America, United States Forest Service; and

WHEREAS, the term of said lease is for a period of fifty-five (55) years from June 1, 1970 to June 1, 2025, subject to a renewal as provided by law. Water Front Recreation, Inc., a Washington Corporation, is to pay to the State of Washington such sums at such times at a place designated, all in accordance with the terms of said Lease No. 58985 held in the office of the Department of Natural Resources, State of Washington, and as recorded under Auditor's File No. 72521, records of Skamania County, Washington; and

WHEREAS, Water Front Recreation, Inc. has submitted, and approved, and recorded in the office of the Auditor of Skamania County, Washington, a Plat and Survey of the above described property entitled "Water Front Recreation, Inc.". dated May 14, 1971, on file and of record under Auditor's File No. 73635 at page 306 in Book "J" of Miscellaneous Records of Skamania County, Washington, together with appurtenant easement as established in writing on said plat for the joint use of the area shown as roadways on the plat, and on said property sellers have constructed a cabin; and

WHEREAS, Water Front Recreation, Inc. did with approval of the State of Washington and in conformance with the primary lease heretofore described, make, execute and deliver to the Sellers herein a document entitled "Cabin Site Lease", a copy of which is hereto attached and incorporated herein as if set out in full; and

WHEREAS, Sellers desire to sell and assign all of their rights in and to said lease, and all of their right, title, claim or interest in the cabin located on said real property to the Purchasers,

NOW, THEREFORE, the parties hereto agree as follows:

The Sellers agree, by this instrument, upon payment in full of the purchase price hereinafter set forth, to assign, transfer and set over unto the Purchasers all of their cabin site leasehold interest, including the cabin located thereon and all personal property located in said cabin, on the following described real property located in Skamania County, Washington, to-wit:

LOT 74, as shown on the Plat and Survey entitled Record of Survey for Waterfront Recreation, Inc., dated May 14, 1971, on file and of record under Auditor's File No. 73635, at page 306 of Book "J" of Miscellaneous Records of Skamania County, Washington, TOGETHER WITH an appurtenant easement as established in writing on said plat, for the joint use of the areas shown as roadways on the plat.

SUBJECT TO reservations by the United States of America in approved selection list number 239, dated March 4, 1953, and recorded September 4, 1953, at page 23, of Book 52 of Deeds, under Auditor's File No. 62114, records of Skamania County, Washington, as follows:

"... the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended . . . and the prior right of the United States, its licensees and permittees to use for power purposes that part within Power Projects Nos. 2071, 2111 and 261."

Together with all personal property located in cabin on said real property.

SUBJECT TO 1978 taxes.

SUBJECT TO mortgage in favor of First Federal Savings and Loan Association which mortgage, Sellers assume and agree to pay as it becomes due and not to permit the same to become delinquent and said mortgage shall be paid in full at or prior to the payment in full of this contract. Seller agrees to authorize First Federal Savings and Loan Association to give written notice to Purchasers of any default by the Sellers in the payment of said mortgage.

SUBJECT TO additional exceptions as set forth on Exhibit "B", attached hereto and incorporated by reference herein.

This contract shall also extend over and to and shall cover any future interest that the Sellers may acquire in the said real property and also all future equipment, appurtenances, or fixtures attached to or becoming a part thereof.

In consideration for the total purchase price to be paid in the sum of TWENTY-NINE THOUSAND FIVE-HUNDRED AND NO/100 (\$29,500.00) DOLLARS, the parties agree as follows:

The terms and conditions of this contract are as follows: The purchase price is TWENTY-NINE THOUSAND FIVE-HUNDRED AND NO/100 (\$29,500.00) DOLLARS, of which THREE-THOUSAND AND NO/100 (\$3,000.00) DOLLARS have been paid; the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

Balance of TWENTY-SIX THOUSAND FIVE-HUNDRED AND NO/100 (\$26,500.00) DOLLARS, with interest, at NINE (9%) per cent, per annum, payable as follows:

A payment of not less than TWO-HUNDRED SIXTY-EIGHT AND 90/100 (268.80) DOLLARS, including interest, on the 1st day of May, 1978, and a like payment of not less than TWO-HUNDRED SIXTY-EIGHT AND 90/100 (\$268.80) DOLLARS, including interest, on the 1st day of each month thereafter, until the full amount of principal and interest has been paid in full. Out of the payments made each month, first shall be deducted interest, and the balance applied to principal. Purchasers may make larger or additional payments at any time.

It is specifically agreed between the parties hereto that this contract shall not be assigned or any agreement entered into for the sale or conveyance thereof for the property covered by this agreement without first securing the written consent of Sellers. Provided, however, that no consent shall be required, if one of the Purchasers selling their interest to any of the other Purchasers.

The Purchasers shall be entitled to possession of said premises as of the 10th day of April, 1978, and the following shall be pro-rated as of the 10th day of April, 1978, to wit: Propane Tank Lease, Water Lease Payment, Propane Gas Supply, Insurance Northwoods Cabin One.

As referred to in this contract, date of closing shall be the 10th day of April, 1978, and the parties agree that all closing costs shall be divided equally between the Sellers and Purchasers.

It is agreed between the parties hereto that all payments to be made hereunder shall be made at First Federal Savings and Loan Association, Main Branch, Vancouver, Washington, or at such other place as the Sellers may direct in writing.

It is specifically agreed that the monthly rental to be paid to Water Front Recreation, Inc., lessor in the lease above referred to, is to be paid by Purchasers as the rental becomes due.

It is specifically agreed between the parties hereto that upon payment in full of the purchase price above set forth, Sellers shall make, execute and deliver to Purchasers an assignment of the lease above referred to, together with a conveyance of all of their interest in and to any building and/or improvements upon said premises.

The Purchasers assume and agree to pay before delinquency all taxes and assessments that may be levied on Sellers and Purchasers hereafter become a lien on said real estate, and if by the terms of this contract the Purchasers have assumed payment of any mortgage contract or other encumbrance, or have assumed payment of or agreed

to purchase subject to, any taxes or assessments now a lien on said real estate, the Purchasers agree to pay the same before delinquency.

The Purchasers agree, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm in a company acceptable to the Sellers and for the Sellers' benefit, as their interest may appear, and to pay all premiums therefore and to deliver all policies and renewals thereof to the Sellers.

The Purchasers agree that full inspection of said real estate has been made and that neither the Sellers nor their assigns shall be held to any covenant respecting the condition of any improvements thereon, nor shall the Purchasers or Sellers or the assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.

The Purchasers assume all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use, and agree that no such damage, destruction or taking shall constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the condemnation award remaining after payment of reasonable expenses procuring the same shall be paid to the Sellers and applied as payment on the purchase price herein unless the Sellers elect to allow the Purchasers to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless Purchasers elect that said proceeds shall be paid to the Sellers for application on the purchase price herein.

The Sellers have delivered or agree to deliver within Ninety (90) days of closing, a Purchasers' policy of title insurance, in standard form, or a commitment therefore, insuring the Purchasers to the full amount of said purchase price against loss or damage by reason of defect in Sellers' title to said real estate as of the date of closing and containing no exceptions other than the following:

- a. Printed general exceptions appearing in said policy form;
- b. Liens or encumbrances which, by the terms of this contract, the Purchasers are to assume, or as to which the conveyance hereunder is to be made subject; and
- c. Any existing contract or contracts under which Sellers are purchasing said real estate, and any mortgage or other obligation, which Sellers, by this contract, agree to pay, none of which for the purpose of this paragraph shall be deemed defects in Sellers' title.

If Sellers' title to said real estate is subject to an existing contract or contracts under which Sellers are purchasing said real estate, or any mortgage or other obligation which Sellers are to pay. Sellers agree to make such payments in accordance with the terms thereof, and upon default, the Purchasers shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the Sellers under this contract.

The Sellers agree, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to Purchasers an assignment of said lease of said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing through any person other than the Sellers, and subject to the following: Easements and restrictions of record.

Unless a different date is provided for herein, the Purchasers shall be entitled to possession of said real estate on date of closing and to retain possession so long as Purchasers are not in default hereunder. The Purchasers covenant to keep the buildings and other improvements on said real estate in good repair and not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The Purchasers covenant to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date Purchasers are entitled to possession.

In case the Purchasers fail to make any payment herein provided, or to maintain insurance as herein required, the Sellers may make such payment or effect such insurance, and any amounts so paid by the Sellers, together with interest at the rate of Ten (10%) per cent, per annum thereon from date of payment until repaid, shall be repayable by Purchasers on Sellers' demand, all without prejudice to any other right the Sellers might have by reason of such default.

Time is of the essence of this contract, and it is agreed that in case the Purchasers shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the Sellers may elect to declare all the Purchasers' rights hereunder terminated and upon their doing so, all payments made by the Purchasers hereunder and all improvements placed upon the real estate shall be forfeited to the Sellers as liquidated damages, and the Sellers shall have right to re-enter and take possession of the real estate; and no waiver by the Sellers of any default on the part of the Purchasers shall be construed as a waiver of any subsequent default, or

The Sellers may elect to bring an action, or actions, on any intermediate overdue installment, or on any payment or payments made by the Sellers and repayable by the Purchasers. It being stipulated that the covenant to pay intermediate installments are independent of the covenant to make a deed and that every action is an action arising on contract for the recovery of money only, as if the promise to pay had been expressed in a different instrument, and that no such action shall constitute an election not to proceed otherwise as to any subsequent default, and no waiver by the Sellers of any default on the part of the Purchasers shall be construed as a waiver of any subsequent default.

It is agreed between the parties hereto that service of all demands or notices with respect to this contract are to be made by certified mail with return receipt requested, directed to the Sellers or the Purchasers at their last known address. The time specified in any notice shall commence to run from the date of the postmark. Failure to pick up certified mail shall not be deemed lack of notice.

In the event that the Purchasers shall fail to make payments as provided herein and the Sellers shall be required to employ the services of an attorney for preparation and service of notices, demands or correspondence in connection with said delinquency, that the Purchasers shall pay to Sellers the reasonable expense incurred by Sellers in employing the services of said attorney. It is further agreed that in any suit or action to enforce any covenant of this contract or collect any installment payment or any charge therefrom, or any litigation concerning the provisions of this contract, that the prevailing party shall be entitled to a reasonable sum as attorneys' fees, all costs and expenses of searching records, obtaining title reports and costs of said suit, which sums shall be included in any judgment or decree entered in such suit.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

Phil R. Roostera
PHIL R. ROOSTERA

Carol E. Roostera
CAROL E. ROOSTERA

STATE OF WASHINGTON)
: ss.
COUNTY OF CLARK)

On this day personally appeared before me PHIL R. ROOSTERA, and CAROL E. ROOSTERA, husband and wife, to me known to be the individuals described i and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7th day of March, 1978.

Theresa D. Denny
NOTARY PUBLIC in and for the
State of Washington,
Residing at Vancouver.

Robert R. Randolph
ROBERT R. RANDOLPH (Purchaser)

Susan J. Randolph
SUSAN J. RANDOLPH (Purchaser)

STATE OF WASHINGTON)
: ss.
COUNTY OF CLARK)

On this day personally appeared before me ROBERT R. RANDOLPH and SUSAN J. RANDOLPH, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7th day of April, 1978.

David F. Roberts
NOTARY PUBLIC in and for the
State of Washington,
Residing at Vancouver.

Richard A. Truax
RICHARD A. TRUAX (Purchaser)

Dorothy R. Truax
DOROTHY R. TRUAX (Purchaser)

STATE OF WASHINGTON)
: ss.
COUNTY OF CLARK)

On this day personally appeared before me RICHARD A. TRUAX and DOROTHY R. TRUAX, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 10th day of April, 1978.

David F. Roberts
NOTARY PUBLIC in and for the
State of Washington,
Residing at Vancouver.

John A. Seavey
JOHN A. SEAVEY

(Purchaser)

Katherine U. Seavey
KATHERINE U. SEAVEY

(Purchaser)

STATE OF WASHINGTON)

COUNTY OF CLARK) ss.

On this day personally appeared before me JOHN A. SEAVEY and KATHERINE U. SEAVEY, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7th day of March, 1978.

April - May - Notary

Notary Public in and for the State of Washington, Residing at Vancouver.

Richard L. Pinson
RICHARD L. PINSON

(Purchaser)

Judith A. Pinson
JUDITH A. PINSON

(Purchaser)

STATE OF WASHINGTON)

COUNTY OF CLARK) ss.

On this day personally appeared before me RICHARD L. PINSON and JUDITH A. PINSON, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7th day of March, 1978.

April - May - Notary

Notary Public in and for the State of Washington, Residing at Vancouver.

BOOK 74 PAGE 473
BOOK 5 PAGE 127

Lot	Area	Owner	Remarks
1	1.00
2	1.00
3	1.00
4	1.00
5	1.00
6	1.00
7	1.00
8	1.00
9	1.00
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92	1.00
93	1.00
94	1.00
95	1.00
96	1.00
97	1.00
98	1.00
99	1.00
100	1.00

EXHIBIT "A"

PLAT OF
THE NORTH WOODS
A RECREATION DEVELOPMENT BY LEASE AGREEMENT
A SURVEY IN GOVERNMENT LOTS 4 AND 8
IN THE SE 1/4 SECTION 26 T7N R6E WM
SKAMANIA COUNTY WASHINGTON
OCTOBER 1970

SCALE 0 50 100 250 500

NOTE: All readings shown herein
are subject to adjustment
by the Surveyor in the
field.

LEGEND
1/4" = 10' from Plat
1/4" = 10' from Plat

EXHIBIT "B"

1. Mortgage dated December 7, 1973, and recorded December 10, 1973, in Book 50 of Mortgages, Page 890, Auditor's File No. 76939, in the office of the Recording Officer of Skamania County, Washington, to secure an indebtedness of \$9,500.00 and any interest, advances, or other obligations secured thereby.
2. Reservations by the United States of America in approved selection list number 259 dated March 4, 1963, and recorded September 4, 1963, at Page 23 of Book 52 of Deeds, under Auditor's File No. 62114, Records of Skamania County, Washington, as follows:

". . . The provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended . . . and the prior right of the United States of America, its licensees and permittees to use for power purposes that part within Power Projects Nos. 2071, 2111 and 264."
3. A Lease dated June 1, 1970, between the State of Washington, acting by and through the Department of Natural Resources, as Lessor, and Waterfront Recreation, Inc., a Washington Corporation, as Lessee, a Memorandum thereof having been recorded on September 9, 1970, under Auditor's File No. 72521, at Page 141 of Book 5 of Agreements & Leases, Records of Skamania County, Washington.
4. Terms, Agreements, and Covenants as contained in lease dated August 6, 1973, recorded December 10, 1973, under Recording No. 76936.

LESSOR: Water Front Recreation, Inc., a Washington Corporation;
 LESSEE: Ferrill F. Craig and Marylee Craig.
5. Assignment of Lease dated August 27, 1973, recorded December 10, 1973, under Recording No. 76937; from Ferrill F. Craig and Marylee Craig to Kathryn Curry.
6. Assignment of Lease dated November 19, 1973, recorded December 10, 1973, under Recording No. 76938; from Kathryn Curry to Phil R. Kooistra and Carole R. Kooistra, Husband and Wife.
7. Any retail sales tax; or any leasehold excise tax levied against said premises under Chapter 61 of the 1975-76 Session Laws of the State of Washington, Second Extraordinary Session, and Department of Revenue Regulations issued pursuant thereto.

WATER FRONT RECREATION, INC., a Washington corporation, hereinafter called Lessor, in consideration of the rents to be paid and covenants to be performed by FERRILL F. & MARYLU CRAIG,
207 N.E. 127th St., Vancouver, Washington 98665.

hereinafter called Lessee, leases to Lessee the following described cabin site on the terms and conditions stated herein;

Cabin site number 74 of the North Woods as shown in red on Exhibit "A" attached hereto (all distances being approximations), being part of Government Lots 4 and 8, Section 26, Township 7 North, Range 6 East, W.M., Skamania County, Washington, SUBJECT, however to an easement for right of way for access road acquired by the United States of America, United States Forest Service.

SECTION 1. OCCUPANCY

1.01 Term. This Lease is granted for the period beginning August 1st, 1970 and terminating on June 1, 2025, unless sooner terminated as hereinafter provided.

1.02 Master Lease. Lessor holds the above-described premises under a lease, hereinafter referred to as the "master lease," dated August 11, 1970, from the State of Washington, acting by and through the Department of Natural Resources.

1.03 Master Lease Incorporated. The master lease is on file with Lessor and is available for inspection. Lessee's rights hereunder are subject to all the terms, provisions, exceptions and reservations set forth in said master lease (as to which Lessee is a sub-lessee) and incorporated herein by reference, including, without limiting the foregoing, an easement for right of way for an access road acquired by the United States of America, United States Forest Service and the right of the State of Washington to inspect the premises at reasonable times.

SECTION 2. RENTAL

2.01 Basic Rental. As rental for each lease year, the Lessee shall pay the sum of FOUR HUNDRED &

10/100 --- Dollars (\$ 400.00 -----). Rent shall be paid in advance, on the first day of September in each year, hereinafter referred to as the "anniversary date." All payments shall be made to Lessor at 207 N.E. 127th St., Vancouver, Oregon, or at such other place at which the Lessor may notify the Lessee in writing. Rent for the fraction of any lease year shall be prorated. The lease year shall be from September 1 through the succeeding August.

2.02 Rent Adjustments. Lessor may, as of any anniversary date, increase the annual rental as follows:

(a) Under the master lease, Lessor's rental to the State of Washington may be increased on June 1, 1980, and at intervals of not less than ten (10) years thereafter. Lessor may increase Lessee's rental hereunder at such times as Lessor's rental under the master lease is increased. The amount of such increase that the Lessee shall be responsible for and required to pay shall equal the total rental increase under the master lease to Lessor (multiplied by the Lessee's annual rental to the Lessor divided by the total annual rental of the Lessees of the sites in the North Woods. Annual rental as used herein shall mean the total rental the Lessee is required to pay to Lessor for the year immediately preceding the year of the increase. The above said formula is illustrated as follows:

Lessee's share of increase	"	Increase under master lease to Lessor	"	Lessee's annual rental	"	Total annual rentals of sites
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(b) In addition to the increase permitted under subparagraph (a) above, Lessor may as of any anniversary date, increase the annual rental hereunder on account of taxes and assessments against said real property in an amount, which together with prior increases on account of taxes and assessments, shall not exceed the total of the amount by which taxes and assessments on the land covered by this master lease exceeds such taxes for 1970, divided by the number of improved cabin sites on said anniversary date.

(c) Finally, every ten years beginning September 1, 1980, the annual rental shall, at the option of the Lessor, be adjusted to reflect the percent of increase from September 1, 1970. In the Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor; that is, the annual rental each year for the succeeding ten years shall be increased as compared with the annual rental as set forth herein by the same percentage as the increase in said Consumer Price Index differs from said Index for September 1, 1970.

SECTION 3. LESSOR'S COVENANTS

3.01 Declaration. In order to preserve the natural beauty of the North Woods, to provide for the control of structures erected thereon, improvements to be made thereon, and for the purpose of extending to the residents therein the greatest possible peace, enjoyment, privacy, health, comfort, safety, and preservation of property values, Lessor does hereby certify and declare that with the sole exception of lot 19, which is the North Woods Sales Office, the following reservations, conditions, covenants, agreements and restrictions shall become and are hereby made a part of all leases of property within the plat of the North Woods as the same appears on the map survey recorded in the office of the County Auditor of Skamania County, Washington.

3.02 Boat Dock. Lessor shall construct a boat dock for the common use of residents of the North Woods. In the event construction of said boat dock is not completed by September 1, 1972, it is hereby agreed that in lieu of such construction, Lessor shall contribute \$5,000.00 to the North Woods Association, hereinafter described in paragraph 5.09, for construction of such dock.

SECTION 4. USE OF SITE

4.01 Permitted Use. The cabin site shall be used only for residential purposes. No building shall be erected, altered, placed, or permitted to remain on the cabin site other than one detached single family dwelling and buildings incidental to residential use, and the cabin site shall not be further subdivided into building lots.

4.02 Condition of Site. The premises hereby leased have been inspected by Lessee and are accepted in their present condition.

4.03 Vehicles. No vehicles shall be parked in roadways. Vehicles shall not be operated carelessly or in excess of posted speeds. No vehicle shall be operated at any time without a muffler in good working order. Excessive motor noise or annoying smoke are forbidden.

4.04 Maintenance. All lots shall at all times be kept in a clean, slightly, and wholesome condition and no trash, garbage, litter, junk, boxes, containers, bottles, cans, machinery, implements, lumber, or other building materials shall be permitted to be or remain exposed on any lot and visible from any street or adjoining or nearby premise.

4.05 Signs. No signs of any kind shall be displayed to the public view on any lot in the tract except one professional sign, of not more than 18 inches by 24 inches in size, advertising the property for sale or rent, and except signs used by a builder or developer to advertise the property during the construction and sales period.

4.06 Nuisance. No noxious or offensive trade or activity shall be carried on or upon any lot in the tract nor shall anything be done thereon which may be or become an annoyance or nuisance in the area.

PAGE ONE -- CABIN SITE LEASE

* 830 N.W. 150th Beaverton, Oregon 97005

Mailing address -- P.O. Box 603, Beaverton, Oregon 97005

SECTION 5. IMPROVEMENTS continued

4.07 Animals. No animal, livestock, or poultry of any kind shall be raised, bred, or kept on any lot except that cats, dogs, or other household pets may be kept, but not for any commercial purpose. Household pets shall not be allowed to be an annoyance or nuisance to the neighborhood.

4.08 Incineration. Because of unpleasant odors and unsightliness, no individual incinerator shall be permitted on any lot.

4.09 Fires and Fireplaces. Interior fireplaces, stoves, or other type burner must be fireproofed by use of sparkproof screens. All fires must be extinguished before leaving cabin. No fires shall be lit or maintained outside of any cabin.

4.10 Firearms and Fireworks. Discharging firearms, firecrackers, rockets or any other fireworks within the North Woods area shall be prohibited.

4.11 Commercial Use. No platted lot shall be used for any commercial purpose, except that a Lessor may rent his cabin from time to time, and in such case shall be responsible that his tenants abide by these covenants.

4.12 Motorbikes. No motorbike or motorcycle riding of any nature shall be allowed except for ingress and egress.

4.13 Fire Extinguisher. One fire extinguisher (minimum two quart capacity) must be kept in every cabin.

4.14 Trailers and Tents. No tent, house trailer, or mobile home, whether the same be on wheels or not shall be permitted on any lot except during the period of cabin construction and for guests over a weekend period.

4.15 Solicitation. There shall be no solicitation or distribution of handbills or circulation of any kind without the written consent of Lessor.

4.16 Hose Bibs. One hose bib shall be installed on outside wall of each cabin for fire protection prior to completion of the cabin.

SECTION 5. IMPROVEMENTS

5.01 Plans Approved. No building shall be erected, placed, or altered on the cabin site until the construction plans showing the location of the structure have been approved by the Lessor as to conformity with plan of development, quality of workmanship and materials, harmony of external design and color with existing structures, and as to location with respect to topography and finish grade elevation. Such approval shall be in writing.

5.02 Building Materials. All building construction shall be of log or wood frame. Wood frame structures or simulated brick veneer construction is expressly prohibited. All roofs shall be of wood shingle or shake, or of an acceptable composition — color to be approved prior to application by the Lessor or such person or persons designated by Lessor.

5.03 Completion. Cabins must be completed from all outward appearance within one (1) year from the time such construction is started. Cabin construction must be started within three years from the date of the signing of Cabin Site Lease.

5.04 Tree Removal. The Lessee of each cabin site may remove from said site all trees, shrubs, and plants necessary to prepare the property for building subject to the following conditions:

As required by the State of Washington in the master lease, any tree whose diameter is over 8" at chest height must be marked by Lessee for Lessor's inspection. Lessor will then notify the Washington State Department of Natural Resources and request their standard appraisal of value. Lessee will then pay Lessor for the value of the tree before removal. Any additional clearing beyond that necessary for the construction of improvements shall be prohibited. The intent is to remove as few trees as possible to the end that the community remain natural and rustic.

5.05 Lot Markers. Lessee will use all reasonable care to make certain that the lot markers, as established by Lessor, are not moved or destroyed.

5.06 Improvements Other Than On Cabin Site. No improvements of any kind shall be constructed or placed upon any area covered by the master lease without Lessor's prior written consent.

5.07 Ownership of Improvements. The master lease provides as follows:

"8.04 Ownership of Sub-lessee Improvements. All buildings and improvements, excluding removable personal property and trade fixtures on the leased site [North Woods] created by Sub-lessee [Lessee herein] will remain on said site after expiration of this lease [master lease] or termination prior to the term of this lease [master lease] of any sub-lease [this lease] held by the State under the provisions of paragraph 5.09; provided, however, upon the expiration of the lease [master lease], if the State is unsuccessful in re-leasing the leased site [North Woods], as a unit, then each sub-lessee [Lessee herein] shall have a preferential right as allowed by law to re-lease from the State its sub-leased area; provided, further, upon the termination or expiration of this lease [master lease] or a sub-lease [this lease] assigned under paragraph 5.09 that as a condition of any re-lease of the leased site or sub-leased site to any other party made during the three year period following the State shall require the subsequent Lessee to purchase the Sub-lessee's [Lessee herein] interest in the improvements as allowed by law. Expatriation, as used in this paragraph, shall mean the expiration of the lease as of May 31, 2025."

The parties hereto agree that the terms and conditions of the above quoted paragraph shall be applicable provided:

(a) That Lessee is not in default under any of the terms and conditions of this lease; and

(b) That Lessor's lease expires May 31, 2025. In the event of earlier expiration of this lease, all buildings and improvements located upon the premises shall be the property of Lessor.

The parties hereto further agree that the benefits of paragraph 8.04 of the master lease shall be enforceable solely against the State of Washington.

5.08 Taxes and Assessments. The Lessee shall pay in annual payments all taxes and assessments that are now charged or may become chargeable against the improvements placed upon the cabin site, now or in the future, commencing with the taxes first becoming due and payable after the date hereof, all before such taxes and assessments become past due.

5.09 North Woods Association. The funds in the plat and certain other common areas shall be held in the name of The North Woods Association, a non-profit association, of which the Lessors of lots in the plat shall be members. Said Association shall be responsible for the maintenance and repair of roads, the entire water system including but not limited to water systems serving the cabins on the premises, docks and common areas and improvements thereon (if any), as well as other community functions which may be given it by its members. The owners (Lessees) of lots in the tract shall be required to pay dues of not less than one and one-half dollars (1½) per month and assessments to said Association for their reasonable share of the costs of the functions and duties of the Association. Said dues shall commence at the time 50 lots are leased. It is understood and agreed that Lessor shall and it is hereby delegated to fulfill all duties, responsibilities and functions of the North Woods Association until fifty (50) lots in the North Woods are leased. At that time Lessor shall call a meeting of all Lessees for the purpose of forming said Association.

6.01 Sewage. Individual sewage disposal systems installed by Lessee must be designed, located, and constructed in accordance with the legal regulations, laws and ordinances of Skamania County and the State of Washington.

6.02 Reservations. Lessor reserves to itself and to its successors and assigns easements in, under, and along all roads and other common areas in the plat for any utilities whether presently installed or not. In addition, an easement is reserved in an area five (5) feet by ten (10) feet in one corner of each lot (to be selected by Lessor) adjoining the road, for electric transformer vault and/or telephone and power service pedestals if any. And the assignment of the lease as to each individual lot shall be subject to the right to cross over or under the same along the lot lines, with utility lines if such may be necessary in the development of this subdivision or adjoining subdivisions.

6.03 Water. Each cabin site has or will be furnished water at or near the lot line. Each lessee agrees to receive water from the water system supplying the North Woods and further agrees to pay Lessor \$225.00 for the right to connect to said system.

6.04 Maintenance. The lessee shall bear the responsibility and expense of furnishing, installing, backfilling, and maintaining each underground trench or other digging upon such cabin site which is necessary for any utility connections or facilities to serve such cabin site.

SECTION 7. MISCELLANEOUS

7.01 Lessor's Duties. Lessee agrees to comply strictly with the Lessor's rules and regulations and all applicable Federal, State, County, and Municipal laws, rules and regulations relating to all activities contemplated under this lease, including but not limited to, use of public or private roads, parking, fire and prevention of fire, public health, and pollution of streams or lakes, and to assume all obligations thereby imposed upon the Lessor. Lessor may inspect the cabin site and cabin at any time to determine compliance with the terms of this lease.

7.02 Indemnification. Lessee hereby agrees to assume all risk of, and indemnify and hold harmless, and at the Lessee's expense, defend the Lessor from and against, any claims, loss, cost, legal actions, liability or expense on account of personal injury to or death of any persons whomsoever, including but not limited to employees of the Lessor, or damage to or destruction of property to whomsoever belonging, including but not limited to property of the Lessor which might result from Lessee's activities on the leased premises. The Lessee further agrees to indemnify and save harmless the Lessor from any loss, cost, suit or expense resulting from Lessee's failure to comply with any of the provisions of any applicable laws, rules or regulations.

7.03 Insurance. Lessee shall obtain fire, casualty and liability insurance as follows:

(a) Fire and casualty insurance in a sufficient amount to cover the replacement cost of any or all improvements upon the leased premises. Such insurance shall be carried by a responsible company or companies satisfactory to Lessor and the policy or policies shall be endorsed and delivered to Lessor with provision for thirty (30) days' notice of cancellation to Lessor.

(b) Liability and property insurance insuring Lessor and Lessee against all liability for damages to persons or property caused by the maintenance, use or occupancy of the leased premises or by reason of the conduct of any activity carried on therein. Such insurance shall be carried by a responsible company or companies satisfactory to Lessor in amounts not less than the following limits, namely:

- (1) Bodily injury to or death of any one person, \$5,000.00;
- (2) Bodily injury or death resulting from any one accident to two or more persons, \$10,000.00; and
- (3) property damage, \$1,000.00.

Lessee shall deliver to Lessor certificates and receipts evidencing said policies of insurance and further provide with the company or companies for thirty (30) days' notice of cancellation to Lessor.

7.04 Assignment. Without the prior written consent of Lessor, Lessee shall not assign this lease or any interest therein, or sublet, and no heir, executor, administrator, receiver, trustee in bankruptcy or other assignee by operation of law shall assign or sublease without such written consent.

7.05 Waiver. Any waiver by the Lessor of any provisions hereof must be in writing, and any of the covenants, conditions, restrictions, in this lease may be annulled, waived, changed, or modified with respect to all or any portion of said property by Lessor at any time.

7.06 Attorneys' Fees. In the event any action, suit, proceeding or appeal therefrom is brought to collect the rent due or to become due hereunder, or any portion thereof, or to get possession of said premises, or to enforce compliance with this lease, or for failure to observe any of the covenants of this lease, the prevailing party shall be entitled to recover such sum as the Court may adjudge reasonable as attorneys' fees to be allowed in said suit, action, proceeding or appeal therefrom in addition to such other relief granted by the Court.

7.07 Condemnation. The parties hereto shall receive any sums or damages paid or awarded by reason of any taking, condemnation or acquisition during the existence of this lease as their interests therein shall then appear, whether or not by litigation, by any authority, person or corporation, whether public or private, of any title to or interest in all or any part of the premises.

7.08 Reservoir Level. The Lessee acknowledges by signing this lease that Pacific Power and Light Company has the right to fluctuate the waters of Swift Reservoir at any time within the provisions of Federal Power Commission License No. 2111 or as amended. The Lessee shall waive all claims or damage and shall indemnify Pacific Power and Light Company, the State of Washington, Lessor or their successors, if any, against any claim of damage arising from fluctuation in reservoir level or impairment of recreational use of the reservoir or shoreline or floating facilities.

7.09 Validity of Provisions. The determination of any Court that any provisions of this lease are unlawful or void shall not affect the validity of any other provision hereof.

7.10 Enforcement of Restrictions. Without in any way limiting the rights of Lessor, if the parties upon whom the provisions hereof are binding, or any of them, shall violate or attempt to violate any of the reservations, restrictions or covenants hereof, the Lessor or any lessee of land in the tract, shall have the right to compel performance of or compliance with the provisions hereof, to abate and remove, at the expense of the offending lessee or lessees of the property, any structures or erections in violation of the provisions hereof, to recover damages for any such violation or attempted violation of the provisions hereof and to prosecute any proceedings at law or in equity in furtherance of the aforesaid remedies in any Court having jurisdiction of such cases.

7.11 Reservations on Land. All of the reservations, conditions, covenants, agreements and restrictions shall run with the land and shall be binding on the lessees of all property covered hereby and all parties and persons claiming under them and on all property within the tract.

7.12 Assignment. Without limiting Lessor's right to sell or assign this lease or land, Lessor may assign this lease to a corporation, and if said corporation assumes the obligations of Lessor hereunder, Lessor shall thereby be released of and relieved from any and all obligations under this lease.

8.01 Default and Notice. If any default shall be made on the part of the Lessee in the observance or performance of any of the terms, covenants, agreements, or provisions of this lease by him to be observed or performed and such default continues for sixty (60) days after written notice, the lessor may, at its option, immediately terminate this lease, forfeit Lessee's interest therein, and forthwith exclude the Lessee from the premises and from all rights hereunder, but the Lessor shall nevertheless be liable to the Lessor for all liabilities incurred hereunder prior to such termination. Waiver of any default hereunder shall not constitute a waiver of any subsequent default. Service of any notice provided for herein by the Lessor may be made by depositing such notice in the United States mails addressed to the Lessee at

207 N. 127th St., Vancouver, Washington 98665

8.02 Master Lease Termination. It is expressly understood that Lessor has leased the premises from the State of Washington for a period ending June 1, 2025. The master lease provides that in the event it is terminated for any reason whatsoever, prior to the lease termination date, such termination shall operate as an assignment to the State of Washington of this lease together with the unrestricted right of the State to receive payment of the rents herein provided from the date of said assignment.

8.03 Failure to Provide Property Report. Lessee shall have the option to void this lease if he does not receive a property report prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development, in advance of, or at the time of, his signing the lease; and Lessee shall have the right to revoke this lease within 48 hours after signing the lease if he did not receive the property report at least 48 hours before signing the lease. However, this option to void the lease shall not apply where Lessee has received the property report and inspected the lot or lots to be leased in advance of signing the lease and acknowledges by his signature that he has made such inspection and has read and understands such report.

Lessee shall have the option to void this lease if he does not receive a property report prepared and pursuant to rules and regulations of the Oregon Subdivision Control Law ORS 92.210-92.990 in advance of his signing this lease.

Each and every provision of this lease shall bind and shall inure to the benefit of the respective heirs, representatives, successors and assigns of the parties. In the event lessee is more than one person, the liability of such persons hereunder shall be joint and several.

8.04 Easements. As shown on the plat of "The North Woods", 20 foot easements are reserved to the Lessor and its assigns on the water front portions of Lots 16, 17, 18, 19, 20, 21, 22, and 23 for purposes of community boat docks. Said easements shall not prevent lessees of the above lots from developing their own shoreside docks providing such facilities do not interfere with the boat traffic pattern of the community dock system.

Five foot easements are reserved to the Lessor and its assigns on the southerly lot line of Lot 10, and the northerly lot line of Lot 11 for access to the water front. Said access to serve as pathway to boat docks if it is determined by Lessor that additional boat docks are needed to serve "The North Woods" community.

IN WITNESS WHEREOF, the parties have executed this lease, in duplicate, this 12th day of August, 1972.

WATER FRONT RECREATION, INC.

By William F. Craig
President

By _____
Secretary

William F. Craig LESSOR

W. Craig LESSEE

I (we) hereby acknowledge that prior to the signing of this lease, I (we) have received, read, and understand the PROPERTY REPORT prepared pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development (office of Interstate Land Sales Registrations) and the PROPERTY REPORT prepared pursuant to rules and regulations of the Oregon Subdivision control law ORS 92.210 - 92.930. I (we) also acknowledge that I (we) have inspected the lot to be leased.

William F. Craig
W. Craig LESSEE